



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Report No. SCL-00407S

Friday May 19, 2023

Streamlined Submarine Cable Landing License Applications

Accepted For Filing

The applications listed below have been found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 1.767 of the Commission's rules. 47 CFR § 1.767. Pursuant to the Submarine Cable Landing License Act, 47 U.S.C. §§ 34-39, and Executive Order No. 10530, reprinted as amended in 3 U.S.C. § 301, each applicant seeks: (a) the grant of a cable landing license; (b) the modification of a cable landing license; and/or (c) the assignment or transfer of control of an interest in a submarine cable landing license.

Pursuant to its decision in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), and section 1.767 of the rules, the Commission will take action upon these applications within forty-five (45) days after release of this public notice, unless upon further examination an application is deemed ineligible for streamlined processing.

Ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 CFR § 1.1206. Unless otherwise specified, interested parties may file comments with respect to these applications within 14 days of this notice. Such filings will not necessarily result in an application being deemed ineligible for streamlined processing.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530. All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Transfer of Control

Current Licensee: Quintillion Subsea Operations, LLC

FROM:

TO: Quintillion Subsea Operations, LLC

Quintillion Subsea Operations, LLC (Quintillion Operations) has filed an application for consent to the transfer of control of Quintillion Operations from its indirect parent, QSH Parent Holdco, LLC (QSH Parent), to Q Gateway Ultimate Holdings LLC (Q Gateway). Quintillion Operations is the licensee of the Quintillion System (SCL-LIC-20160325-00009), a non-common carrier cable system that connects Oliktok Point (Prudhoe Bay), Alaska; Utqiagvik (f/k/a Barrow), Alaska; Wainwright, Alaska; Point Hope, Alaska; Kotzebue, Alaska; and Nome, Alaska. Applicants filed a supplement on May 17, 2023.

Pursuant to a March 28, 2023 Agreement and Plan of Merger, Q Gateway Merger Sub, LLC (Merger Sub), a subsidiary of Q Gateway, will merge into QSH Parent with QSH Parent being the surviving entity. Upon consummation, Quintillion Operations and QSH Parent will become indirect wholly owned subsidiaries of Q Gateway.

Upon closing of the transaction, the following individual and entities will hold a 10% or greater direct and/or indirect equity and/or voting interests in Quintillion Operations: (1) Quintillion Subsea Holdings, LLC, a Delaware entity (100% direct equity and voting interests in Quintillion Operations); (2) QSH Intermediate Holdco, LLC, a Delaware entity (100% direct equity and voting interests in Quintillion Subsea Holdings, LLC); (3) QSH Parent, a Delaware entity (100% direct equity and voting interests in QSH Intermediate Holdco, LLC); (4) Q Gateway Intermediate Holdings, LLC, a Delaware entity (100% direct equity and voting interests in QSH Parent); (5) Q Gateway, a Delaware entity (100% direct equity and voting interests in Q Gateway Intermediate Holdings, LLC); (6) Q MIP LLC, a Delaware entity (approx. 10% direct equity interest in Q Gateway); and (7) Grain Communications Opportunity Fund III Master L.P. (GCO Fund III), a Delaware entity (approx. 90% equity interest and 100% voting interest in Q Gateway). The exact percentage of equity interests in Q Gateway to be held by Q MIP LLC and GCO Fund III will depend on the final purchase price at the time of closing.

The limited partnership interests in GCO Fund III are held by passive financial investors, three of which hold a 10% or greater equity interest in GCO Fund III: (1) Grain Communications Opportunity Fund III, LP, a Delaware entity (63.8%), (2) Grain Communications Opportunity Fund III (Parallel), L.P. (GCO Fund III (Parallel)), a Cayman Islands entity (18.7%), and (3) Grain Communications Opportunity Fund III (DE Parallel), L.P. (GCO Fund III (DE Parallel)), a Delaware entity (17.3%). GCOF III GP, LLC (GCOF III GP), a Delaware entity, is the general partner of GCO Fund III and its three limited partners and also holds an 0.2% equity interest in GCO Fund III.

Grain Capital II, LLC, a Delaware entity, is the sole managing member of GCOF III GP (64.5% membership interests in GCOF III GP). The sole member of Grain Capital II, LLC is Grain Capital, LLC, a Delaware entity. David Grain, a U.S. citizen, owns Grain Capital, LLC and holds a less than 10% equity interest in GCO Fund II.

The Applicants state that post-transaction no other individual or entity will have 10% or greater direct or indirect equity or voting interest in GCO Fund III or Quintillion Operations.

The Applicants agree to abide by the routine conditions specified in section 1.767(g) of the Commission's rules. 47 CFR § 1.767(g).

The Commission determined in the Executive Branch Review Process Order that it would not routinely refer to the Executive Branch applications "where the only reportable foreign ownership is through wholly owned intermediate holding companies and the ultimate ownership and control is held by U.S. citizens or entities." Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927, 10939, para. 30 (2020). We find that the applicant has made a showing that the application comes within this exclusion from referral to the Executive Branch because the only foreign ownership of Quintillion Subsea Operations, LLC will be through intermediate holding companies and the ultimate ownership and control is held by a U.S. citizen. See id. at 10941, para. 36, n. 99. Although we are not formally referring the application, per standard practice, we will provide a courtesy copy of this public notice to the Executive Branch agencies. See id. at 10939, para 30, n. 81.

REMINDERS:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See CFR §§ 1.2001-1.2003.

By this notice, we inform the public that submarine cable landing license applications that are part of larger transactions involving multiple Commission licenses or authorizations may involve "extraordinary circumstances" as referenced in Review of Commission Consideration of Applications under the Cable Landing License Act, Report and Order, 16 FCC Rcd 22167 (2001) and Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), paras. 327-28, Order on Reconsideration, 15 FCC Rcd 18158 (2000). Additionally, extraordinary circumstances result where Executive Branch agencies petition the Commission to defer action on an application pending the resolution of potential national security, law enforcement, foreign policy and trade policy issues. Accordingly, these applications may be removed from streamlined processing and may not be acted on within the 90-day review period that the Commission has established as the period of time normally required to reach a decision on non-streamlined cable landing licenses. This notice shall serve as public notice to applicants that, in these circumstances, additional time may be required for Commission review and final action. No additional formal public notice will be provided routinely with respect to specific applications in the event that the applicable review period extends beyond 90 days.